

ELECTRONIC PAYMENT CONSOLIDATION AND SETTLEMENT AGREEMENT

THIS AGREEMENT is made as of the _____ day of _____, 20__

BETWEEN:

(the “Payee”)

AND:

CENTRAL 1 CREDIT UNION
1441 Creekside Drive
Vancouver, British Columbia
V6J 4S7

(“Central”)

WHEREAS Payee has agreed to authorize Central to act as a payment consolidation and settlement centre in respect of Payee accounts paid at Participating Financial Institutions;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and of the covenants and agreements herein contained the parties agree as follows:

ARTICLE 1 – INTERPRETATION

1.1 In this Agreement the following words and phrases shall have the following meanings:

- (a) “Business Day” means a day on which Central is open for business;
- (b) “Consolidated Report” means a daily report generated by Central showing on a consolidated basis Payee Accounts paid at Participating Financial Institutions;
- (c) “Corporate Reorganization” means a corporate amalgamation or readjustment occurring in, including but not limited to, a merger; the acquisition by, or of, another entity; division into two or more entities; or a substantial change in capital structure;
- (d) “Customer” means a person who is a member or customer of a Participating Financial Institution;
- (e) “Effective Date” means the date on which this Agreement is signed by Central;

- (f) “Electronic Payment” means a payment or partial payment of a Payee Account that is effected through:
 - (i) debiting the account of a Participating Customer at a Participating Financial Institution, pursuant to the authorization of the Participating Customer, such authorization being given via a touch tone telephone, a computer or other electronic device, or such other means as may be agreed between the Participating Financial Institution and Central from time to time; and
 - (ii) forwarding electronically the information required to process the payment;
- (g) “Participating Customer” means a Customer who has agreed with a Participating Financial Institution to participate in Electronic Payment;
- (h) “Participating Financial Institution” means a financial institution that has agreed with Central to participate in the payment arrangements for Payee Accounts contemplated by this Agreement;
- (i) “Payee Account” means any account owing to the Payee by a Customer;
- (j) “Payment Date” means the date the Customer made the payment at a Participating Financial Institution;
- (k) “Personal Information” has the same meaning as set out in applicable personal information protection legislation;
- (l) “Personal Payment” means a payment or partial payment of a Payee Account that is made in person by a Customer at a Participating Financial Institution either in cash or by way of debit to the account of the Customer at the Participating Financial Institution;
- (m) “Services” means the services provided by Central as a payment consolidation and settlement centre in respect of Payee Accounts paid at Participating Financial Institutions.

1.2 Words importing the singular include the plural and words importing the masculine include the feminine and the neuter and vice versa where the context or the parties so require.

1.3 The headings in this Agreement are inserted for convenience of reference only.

1.4 This Agreement may be executed in counterparts who together shall constitute the Agreement.

ARTICLE 2 – SERVICES

- 2.1** The Payee hereby authorizes Central to act as a payment consolidation and settlement centre in respect of Payee Accounts paid at Participating Financial Institutions.
- 2.2** The Payee agrees that Payee Accounts may be paid through Participating Financial Institutions either by Personal Payment or by Electronic Payment.

ARTICLE 3 – OBLIGATIONS OF CENTRAL

- 3.1** Central agrees to act as a payment consolidation and settlement centre for all Participating Financial Institutions with respect to payment of Payee Accounts.
- 3.2** Central will provide to the Participating Financial Institutions from time to time such reasonable instructions as may be required to facilitate the provision of the Services.
- 3.3** Central will provide to the Payee, on the Business Day following the Payment Date, a Consolidated Report in one of the following formats or a combination of such formats:
- (a) electronic data interchange file (EDI 820 format); or
 - (b) electronic report format by secure download; or
 - (c) hard copy report by facsimile;
- as agreed between Central and the Payee from time to time.
- 3.4** Central will maintain such backup data as may be necessary to verify the contents of Consolidated Reports.
- 3.5** Payee Account payments processed by Central through the provision of the Services shall be paid to the Payee:
- (a) by Central crediting the current account of the Payee with Central; or
 - (b) by Central delivering a settlement voucher to the Payee; or
 - (c) direct deposit by Central to the Canadian financial institution designated by the Payee;
- as directed by the Payee from time to time.
- 3.6** Settlement will be effected the Business Day following receipt of payment by Central.
- 3.7** Central will correct any settlement error on the Business Day following receipt of evidence from the Payee that such error has occurred.

ARTICLE 4 – OBLIGATIONS OF PAYEE

- 4.1** The Payee agrees to apply the payment to the Customer’s Payee Account on the date the Customer made the payment at the Participating Financial Institution as recorded in the details of the Consolidated Report. For greater certainty, value date equals Payment Date. If it is not possible to achieve value date equals Payment Date, the Payee agrees to use reasonable practices to achieve similar results.
- 4.2** The Payee agrees to carefully review the Consolidated Reports and notify Central within five (5) Business Days, of any errors or discrepancies in reconciling the payments to the settlement deposited to the Payee, as contemplated by section 3.5.
- 4.3** Upon written request by Central, the Payee agrees to return payments processed in error, such as duplicate payments, payments intended for another payee, or adjustments to over-payments made in error by a Participating Customer or Participating Financial Institution.

ARTICLE 5 – LIABILITY AND INDEMNITY

- 5.1** Central shall exercise reasonable care, diligence, and prudence in performing the Services, but Central shall not be liable for any failure to exercise reasonable care, diligence, and prudence except in the case of the gross negligence, willful neglect, or fraudulent act or omission of Central or any of its employees. In no event shall Central be liable for any lost profits, or for special, consequential, incidental, or indirect damages of any kind, howsoever caused, whether for breach of warranty, breach or repudiation of contract, tort, negligence, or otherwise, even if Central has been advised of the possibility of such loss and even if Central has been negligent or willfully neglectful.

ARTICLE 6 – CONFIDENTIALITY AND PRIVACY

- 6.1** Central shall not disclose information about the Payee and its customers which it acquires as a result of providing the Services except that:
- (a) Central may disclose information about a Customer and that Customer’s Payee Account to the Participating Financial Institution of which the Customer is a customer;
 - (b) Central may disclose information about a Customer and that Customer’s Payee Account to Central’s own employees, contractors, directors and officers, who reasonably require access to such information for the purpose of providing the Services;
 - (c) Central may disclose information that is generally available to the public; and
 - (d) Central may disclose information as required by applicable law or by court order.
- 6.2** The Payee acknowledges that in order for Central to provide the Services to the Payee, Central shall require access to Personal Information of Customers of the Payee. Each of

the parties agrees to comply with applicable laws and the terms of this Agreement relating to the collection, use, and disclosure of Personal Information.

ARTICLE 7 – TERM AND TERMINATION

- 7.1 This Agreement commences on the Effective Date and remains in effect unless and until terminated as hereinafter provided.
- 7.2 This Agreement may be terminated by either party:
 - (a) at any time without cause, upon not less than 60 days’ prior notice to the other party; or
 - (b) at any time, if the other party has failed to comply with any of its obligations hereunder and such failure has not been remedied within the period of 30 days following receipt by the defaulting party of a notice from the non-defaulting party requiring that the default be remedied.

ARTICLE 8 – GENERAL

- 8.1 Any notice required or permitted to be given hereunder shall be in writing and may be given by personal delivery, fax, or mailing by prepaid registered mail to the addresses set forth below or to such other address as a party may advise in writing in the same manner.

In the case of the Payee:

Attention: _____
Fax No.: _____

In the case of Central:

CENTRAL 1 CREDIT UNION
1441 Creekside Drive
Vancouver, British Columbia
V6J 4S7

Attention: Associate Vice President, Payment Services
Fax No.: 604-730-4451

- 8.2 A notice that is given by delivery or by fax transmission shall be deemed given on the date of delivery or fax transmission unless that day is not a Business Day, in which case the notice will be deemed to have been given on the next following Business Day. Notice

given by prepaid registered mail shall be deemed to have been given the third day following the date of mailing.

8.3 Neither party may assign this Agreement or subcontract any of its obligations hereunder without the prior written consent of the other party, except that Central may assign this Agreement to another person in connection with a Corporate Reorganization.

8.4 This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia.

8.5 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

IN WITNESS WHEREOF the parties hereto have executed this Agreement on the dates set out below.

_____))

By: _____))
Authorized Signatory))

By: _____))
Authorized Signatory))

Date of Execution

CENTRAL 1 CREDIT UNION))

By: _____))
Authorized Signatory))

By: _____))
Authorized Signatory))

Date of Execution